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FOREIGN AGRICULTURE

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West Germany and Its Agriculture

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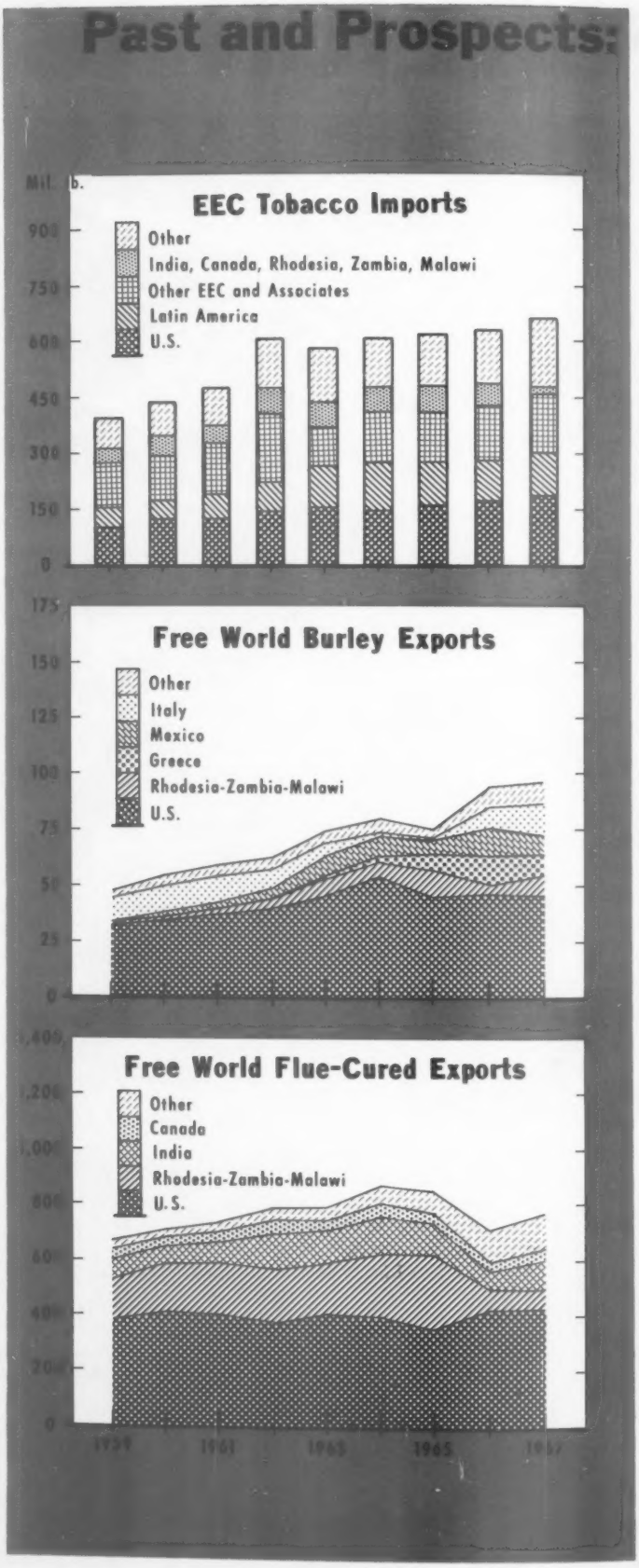

U.S. Tobacco in the Export Market

By HUGH C. KIGER
Director, Tobacco Division
Foreign Agricultural Service

U.S. exports of tobacco and tobacco products this year are moving toward another high level, which could equal the record $636 million worth shipped out in 1967. Behind this buoyant trade is the continued absence from major foreign markets of onetime important exporter, Rhodesia. Also, the United States has been able to keep its tobacco quality high—a strong selling point abroad.

There are, however, developments in the wind that threaten to eventually reverse this trade. The sanctions taken against Rhodesia following its break with the United Kingdom have sparked interest in tobacco production in many nations. These new producers have grown up to become exporters and U.S. competitors. And, of course, Rhodesia could again become a major exporter should its differences with the United Kingdom be resolved. Also in the picture is the continued health controversy over smoking, as well as the EEC's proposed common agricultural policy for tobacco—with an encouragement to production that would surely cut into that area's large import trade.

A look at past performances

If 1968 exports of U.S. tobacco continue at the present rate, they should match the 1967 performance. Shipments of unmanufactured tobacco that year climbed to 572 million pounds (export weight) valued at a record $499 million. This volume was almost 4 percent above the 1966 level and well above shipments in 1965 and the preceding 10-15 years. Shipments of tobacco products also reached a record of $137 million. The $636-million tally for these two categories made an important contribution to our balance of payments, especially since 95 percent of the sales were for dollars.

This fine export record is a stark contrast to our level in 1965 and the previous decade. During that time, the United States was struggling to keep its exports of unmanufactured tobacco at about 500 million pounds, while its share in an expanding world tobacco trade was slowly declining.

Then, two factors combined to reverse U.S. fortunes.

One of these factors was the improvement in quality of flue-cured, by far the major type moving in export trade. This development attracted new customers for the United States on the world market.

The other—and most dramatic change—was Rhodesia's Unilateral Declaration of Independence (UDI) in November 1965 and the resultant trade sanctions taken against that country. These sanctions have severely limited the outlets for what once was the second largest exporter of tobacco: prior to UDI, Rhodesia had exported over 200 million pounds of flue-cured tobacco yearly, or about a fourth of this type moving in world trade.

During the 3 years in which trade sanctions have been in effect, Rhodesia's former top markets—the United Kingdom, West Germany, and Japan—have effectively cut their imports of Rhodesian leaf. A few countries like South Africa, Switzerland, and Portugal and its colonies have not embargoed trade with Rhodesia. Nevertheless, it is estimated that Rhodesian leaf moving to these countries and to certain others in violation of the embargo would amount to only about a fourth of the pre-UDI level.

Because of the sanctions, Rhodesia now has a burdensome surplus of flue-cured tobacco with no apparent outlet for most of it. As a result, the country had to cut 1967 plantings by 34 percent for a drop in production to about 132 million pounds.

While the United States has been the major beneficiary from this situation, it also must consider the possibility of Rhodesia's returning to the international scene. For if the political crisis is resolved and trade sanctions are lifted, the Rhodesian surplus—if not marketed orderly—could disrupt world tobacco trade and prices. On the other hand, as long as the problems are not resolved Rhodesia will probably remain a small factor in world tobacco trade.

Currently, no solution appears imminent, even though talks were recently held with the British Government. In fact, the UN Security Council recently voted for almost total sanctions against Rhodesia. The Council asked governments to: (1) End all exports to and imports from Rhodesia except for medical supplies, books, and news and education materials; (2) cut off all funds for investment and all remittances except for pensions; and (3) end all airline service to and from Rhodesia.

Shifts in production

Another reason why the United States cannot become complacent is that several heretofore minor producers have expanded flue-cured output in order to sell in former Rhodesian markets. In South Korea, for example, the average annual production of flue-cured was only about 56 million pounds during 1960-64; today, it is double that level, and there are plans for further expansion. Thailand, too, has doubled its crop from the 23 million pounds produced during the early sixties.

Availability of additional supplies from these and other countries has caused shifts in flue-cured tobacco trade patterns in many of the major importing countries.

For example, the United Kingdom imported about 100 million pounds of Rhodesian flue-cured leaf prior to UDI. During the past 2 years, it has replaced those supplies with purchases from the United States, India, Canada, South Africa, Thailand, South Korea, Tanzania, and others.

Prior to UDI West Germany imported about 35 million pounds of Rhodesian flue-cured leaf. During the past 2 years, it has increased its tobacco imports from Free World countries like South Korea, Thailand, Taiwan, and the Philippines.

Mainland China has also benefited substantially from the trade sanctions. In 1965, West European countries imported about 3.6 million pounds of tobacco from Mainland China. By 1967, they had increased such imports to about 15 million pounds, with about 9.6 million moving to West Germany.

Similar shifts have occurred in production and sales of

burley tobacco, which is a major component of the increasingly popular American-type cigarette. In this country, it accounts for over a third of the leaf used in cigarette manufacturing.

U.S. burley production made up about 80 percent of the world total 10 years ago. But this percentage has now dropped to about 70 percent, with production outside the United States increasing from 102 million pounds to 226 million.

Here again, South Korea has been a major gainer. That country, which did not even produce burley 10 years ago, had an output of 34 million pounds in 1967. A similar spurt occurred in Greece, where output totaled 24 million pounds in 1967, compared with nothing a decade earlier.

Greece, as well as the Malagasy Republic and other countries, enjoys preferential arrangements in the EEC. And many of the emerging producers have been encouraged by their low labor costs plus the advantage of producing burley compared with other crops and types of tobacco.

Access to EEC crucial

In addition to being concerned about the growing competition from these new suppliers, the United States must face the possibility of declining sales to the EEC—largest single tobacco market in the world and also the largest for U.S. tobacco. U.S. sales to this area alone in 1967 amounted to about 185 million pounds, or nearly one-third of its total export.

During the Kennedy Round negotiations of GATT, the EEC agreed to make small reductions in its tariff on tobacco, which will help improve our access to that market. However, tobacco from member countries and associated overseas territories, as well as lower priced leaf from nonmember countries, still enjoys a tariff preference over U.S. tobacco of several cents per pound.

Also, there is pending the adoption of a common agricultural policy for tobacco, which contains a number of objectionable features. These include high price guarantees with no production control, buyers' premiums on purchases of EEC production, preferences to associated overseas territories, continuation of the monopolies in Italy and France, and harmonization of excise taxes. Adoption of this proposed CAP would impair concessions obtained in the Kennedy Round and do serious harm to tobacco interests of the United States and many other nonmember suppliers. Thus, both the U.S. Government and the tobacco trade have vigorously protested the proposed action.

Cigarette production rate slows

An important barometer of world tobacco activity is the level of cigarette output, since it is by far the most popular use of tobacco today.

The cigarette industry in past years enjoyed a growth rate of 4-5 percent yearly. In 1967, however, came signs that a change might be in store, as output had grown by only 2.5 percent to some 2,900 billion pieces.

There are several factors that contributed to the 1967 slowdown and that could prolong it. One of these is increased cigarette prices in numerous countries, including the United Kingdom and Japan—two large producers. Another factor—and perhaps the greatest damper of all—has been continued concern over the smoking and health issue; this concern is particularly widespread in the United States, the United Kingdom, the Netherlands, and Australia.

In addition to the drop-off in cigarette production, tobacco import needs of the industry are increasingly being reduced because of the trend toward filter-tipped cigarettes, increased tobacco production in countries that manufacture cigarettes, and manufacturing techniques that make fuller use of the leaf and thus require less leaf to produce a given quantity of cigarettes.

British Grain Production To Decline This Year

Rains this year have squelched Great Britain's chances of coming up with another record grain crop, and that country now faces a production nearly 10 percent off the 1967 record and far down the line as far as quality is concerned. In fact, so great are the losses in quality, that British millers may find it necessary to import as much as 1 million more tons of wheat.

This outlook was put forth in a recent report by the British National Association of Corn and Agricultural Merchants, which makes an assessment each year of the size of the grain harvest in England, Wales, and Scotland.

According to the association's survey, total grain production is down 1.33 million long tons from the 13.99 million produced in 1967. And even this survey—although later than one from which official government estimates were made—does not take into account the serious rain damage and flooding that occurred in southeastern England in mid-September. Those floods reportedly ruined crops still to be harvested and may have reduced the barley and wheat crops by another 100,000 tons each.

A breakdown of the association's forecast shows a 112,000-acre gain in wheat area over last year's 2.3 million acres. Production, however, is off nearly 200,000 tons to 3.64 million, and average yields in England and Wales by 3.1 hundredweight to 30 per acre. Wheat is reported to be badly shriveled and sprouted because of the persistent rains and floods, particularly in the south. Up to half of the crop may be too poor for milling.

Area sown to barley reportedly fell 79,000 acres from last season, while production plummeted by over a million tons to 7,840,000. Average yield is put at 27 hundredweight per acre, compared with 29.9 in England and Wales and 32.8 in Scotland last year. Oats production is estimated at 1,180,000 tons against 1,286,000 last year.

Of particular significance is the association's assessment of the quality of the crops.

Because of the very poor quality of the wheat up to a million more tons of milling wheat may have to be imported in 1968-69. Normally British imports of wheat total around 4 million tons, with about 15 percent of them coming from the United States.

On the other hand, the diversion of what would have been milling wheat to feed might reduce imports of feedgrains during the current year. Also portending such a development is the large amount of barley that is too low in quality for either malting or export.

—Based on a dispatch from WILLIAM L. SCHOLZ
Assistant U.S. Agricultural Attaché, London

Australia's Cotton Crop Biggest and Best Ever

Cotton production in Australia during the 1967-68 season reached a new record of 149,727 bales, 77.6 percent above the 1966-67 crop. Larger plantings and exceptionally favorable weather during the second half of the growing period were mainly responsible. Warm and dry harvesting weather resulted in excellent grades, and the overall quality of the crop is considered the best yet achieved.

This large crop just harvested will be more than enough to cover domestic requirements of standard-type cottons during the 1968-69 marketing year; only a small volume—11,000 bales at most—of specialty-type cottons not grown in Australia is expected to be imported.

An even larger cotton crop on increased acreage is in prospect in 1968-69 if the weather is reasonably favorable. As production above domestic requirements this year added a significant volume of raw cotton to stocks held in Australia, it appears that 1969-70 will see the first Australian cotton exports. Industry authorities are already examining potential export markets in Japan, Hong Kong, and Singapore.

Domestic consumption steady

Highlights of the cotton supply and distribution position in the past 3 marketing years shown in the table below are the rapid increase in domestic production and the consequent buildup in raw cotton stocks. The increase in production has permitted spinners to reduce stock holdings since adequate supplies are available from stocks held by ginners.

On the consumption side, there has been very little change because the present tariff structure more or less limits the domestic spinners to certain types of products accounting for about 15 percent of the market for all cotton goods. Since there is little room for expansion in these categories, consumption by spinners remains around 130,000 bales per year. Any further expansion would depend on tariff action to give them a larger share of the overall cotton textile market. Both growers and the spinning industry are pressing the government for a revision of the current tariff policy, but such action could invite repercussions from Japan and other suppliers of cotton goods that are now important customers for Australia's wool and other export commodities.

AUSTRALIA: SUPPLY AND DISTRIBUTION OF RAW COTTON
(Bales 500 lb. gross)

Item	Marketing year		
	1965-66	1966-67	1967-68 [1]
Supply:			
Stocks, August 1:	*Bales*	*Bales*	*Bales*
At spinners	31,396	26,604	19,528
Other	37,902	65,218	64,389
Production	91,323	84,323	149,727
Imports	64,393	39,158	57,010
Total supply	225,014	215,303	290,654
Distribution:			
Consumption:			
By mills	128,692	126,886	127,471
Other	4,500	4,500	4,500
Ending stocks, July 31:			
At spinners	26,604	19,528	21,615
Other	65,218	64,389	137,068
Total distribution	225,014	215,303	290,654

[1] Preliminary.

Australian spinners were working close to capacity during most of 1967-68, although activity was somewhat slower than in the previous year. Weaving activity as a whole showed some increase; total yardage of cotton fabrics produced was somewhat above that of 1966-67. Duck, canvas, drill, and jean production were each about 5 percent higher than the previous year; output of tweeds and denims declined by about 27.5 percent. Production of upholstery and other furnishing fabrics and toweling was also somewhat lower, but there was a small increase in sheetings, calicos, shirtings, and dress fabrics.

Foreign trade

Australia's 1968 cotton production was about 20,000 bales in excess of total domestic usage of standard-type cottons, but little or none of the excess will be available for export. Although industry sources believe imports of specialty-type cottons in 1968-69 may total between 10,000 and 11,000 bales, this estimate may be somewhat high if duty-free entry of such cottons under bylaw is abolished in the near future.

During 1967-68 Australian imports of raw cotton totaled about 57,000 bales. The good-quality crops harvested domestically caused spinners to concentrate their import purchases in the lower quality ranges, with a substantial proportion being imported from countries other than the United States. The U.S. share of the import market was only 36.5 percent compared with 65 to 70 percent in earlier years. Imports from Mexico were similarly affected, but imports from Uganda, Nicaragua, and Tanzania showed a sharp increase.

—Based on dispatch from FRED M. LEGE III
U.S. Agricultural Attaché, Canberra

Swiss Reducing Dairy Surpluses

Reduction of dairy surpluses continues to be Switzerland's major agricultural problem. However, it appears that the government is not likely to impose mandatory milk-production quotas—if milk deliveries during the July-through-October period remain close to the 5-percent-lower production goal set by the government to be achieved through voluntary reduction by November 1, 1968. The largest milk producers' union in Switzerland has already reached this goal; other local organizations have almost reached it.

A government program aimed at eliminating 20,000 dairy cows was 82 percent successful. A new program seeks to reduce the Swiss dairy herd by another 8,000 cows; slaughter of these animals is expected to be completed by the end of October. Provisions of the new program are the same as for the previous one, except for a 22-percent subsidy reduction.

Continuing to operate is another program that allows farmers to eliminate their total dairy herds if they switch to beef production and guarantee not to deliver milk to the market for 5 years. Other conditions of this program are the same as the one for dairy-cow reduction.

Another measure being undertaken to lower milk production is the reduction of the current feedstuffs import quota by 40,000 tons. Reportedly, the government is considering an increase in premiums paid to growers for producing feedgrains.

—Based on dispatch from ALAN W. TRICK
U.S. Agricultural Attaché, Bern

Capsule Review of West Germany and It

West Germany's agriculture supplies only about 75 percent of the country's food needs—60 to 65 percent if allowance is made for feed imports. It produces only about 5 percent of its tobacco and oilseed requirements, 3 percent of its wool, and no cotton at all.

One of the world's largest agricultural importers, West Germany is a leading customer for U.S. farm products, purchasing some $595.6 million worth in 1967.

About 3 million persons are in agriculture, forestry, and fishing. Only about 35 percent of the farmers get all their income from farming; 43 percent get less from farming than from their jobs in industry. The principal problem of German farming is the small size of most farms, resulting in relatively high cost of production and low income per farm.

Area in agriculture. Over half of the total land area of 61.1 million acres is in farms. Another 29 percent is in forests, including farm forests. Over half of the farmland is in crops. Of the cropland, 65 percent is used for grain, another 12 percent is in rotation hay and forage, 10 percent in potatoes, 5 percent in feed roots, and 4 percent in sugarbeets. Fruit, vegetables, and vineyards—relatively important sources of farm income—occupy only 4 percent of the farm area.

Since the pre-World War II period, total area in crops has decreased 13 percent, area in permanent hay and pasture has increased 4 percent, and forests have increased 2 percent. Areas in rye and oats have dropped 39 percent and 44 percent, while the areas in wheat and barley have increased 22 percent and 58 percent.

Number and size of farms. In 1967, farms numbered about 1.4 million, including a large number of very small and part-time establishments. Average farm size is 23 acres of agricultural land. Two-thirds of the farms have less than 25 acres of agricultural land, 27 percent have less than 5 acres. As farms are slowly but steadily being consolidated the number of farms with less than 25 acres is declining while the number of farms with more than 50 acres is increasing.

Farm ownership, labor. According to 1960 figures, half the farms are partly owned by the operators, 45 percent entirely owned by the operators, and the remaining 5 percent entirely rented. Very little farm labor is hired since nearly all farmwork is done by the operator and his family. Farm wages are about $140 a month.

Prices and taxes. Prices of most farm products—particularly grain—are supported at a relatively high level. Taxes are relatively low, averaging about $3.60 per acre of all farmland.

Farm income. In 1966-67 the average net income of farms of more than 12.5 acres was about $3,747. Net income per farmworker was $2,380. Total value of farm product sales in 1967-68 is estimated at about $7 billion.

Yields. Total grain production in 1967—18 million metric tons—was 77 percent above that of the prewar period, a result of sharply higher yields per acre. Compared with U.S. yields, West Germany's yields of small grains are much higher, corn yields lower, potato yields a little higher, and sugarbeet yields about the same.

Higher grain yields are due in part to better rainfall and in part to much heavier application of fertilizer.

Fertilizer use. Compared with fertilizer use in the United States, West German farmers apply nearly twice as much nitrogen, nearly 2.2 times as much phosphoric acid, and over 3.5 times as much potassium per crop acre.

Mechanization. Highly mechanized, West German farms have the equivalent of 1 tractor for each 15 acres of cropland, 1 combine for every 80 acres of grain, and 1 milking machine for every 12 cows.

Livestock and poultry production. Dairying is the most important single source of farm income. In 1966-67, total milk production amounted to 47.5 billion pounds. This was a rise of 44 percent over prewar production, with fewer cows. In the same period milk production per cow rose by 49 percent.

Meat production is mostly pork, which accounts for two-thirds of the total. In 1967 hog numbers were 50 percent higher than in prewar years, production of pork 84 percent higher. Cattle numbers rose 15 percent in the same period; beef and veal production rose 65 percent. Beef production is largely incidental to milk production; most cattle in West Germany are dual purpose.

Poultry numbers have increased 66 percent since prewar years, and production continues to expand. In 1966-67, 200,000 metric tons of poultry meat and nearly 13.4 billion eggs were produced. Since 1960, broiler production has expanded from 17,000 tons to 99,000 tons.

Numbers of horses, sheep, and goats have declined sharply since the war.

Foreign agricultural trade. In 1967, agricultural imports totaled nearly $5 billion and made up over one-fourth of total imports. West Germany has few surpluses of farm products to export; most such exports are highly processed.

Agricultural imports from the United States in 1967 are shown in the table on the opposite page; soybeans, feedgrains, tobacco, and oilmeal accounted for 70 percent of the total. Agricultural exports to the United States totaling $43 million were only about 7 percent as large as farm imports from the United States. Largest single food export to the United States was beer, followed by wine, hops, hair and bristles, chocolate, fish, special cured ham, sausage, and cheese.

West Germany's approximate self-sufficiencies (in percent) of selected food products for 1966-68 were as follows: Butter, 102; milk, 100; potatoes, 98; pork, 95; animal fats, 92; sugar, 91; beef, 86; eggs, 87; cheese, 81; wine, 75; vegetables, 73; canned vegetables, 63; fresh fruit, 52; juices, 51; poultry, 50; canned fruit, 33; honey, 18; pulses, 11.

Feeding practices. In 1966-67, livestock feed accounted for 28 percent of all farm expenditures; nearly two-thirds of this was for commercial mixed feed. Very little grain is fed to cattle for fattening beef, since consumers prefer lean beef, and grain is very high priced. Even the hogs rely heavily on potatoes and skim milk for feed, less on high-priced grain than in the United States. However, the expansion of modern poultry and egg production relies on grain, soybean meal, meat meal, and fishmeal.

Because domestic production of feedgrains and protein concentrates has not risen as much as demand, farmers have had to buy more imported feedgrains and oilmeal.

Hay and pasture supply about 40 percent of all feed units; grain, 23 percent; oilmeal, 10 percent; dairy byproducts, 8 percent; potatoes, 5 percent; and all other feeds, 14 percent.

ıd Its Agriculture

West Germany: Land use, 1967

Use	Area
	1,000
Cropland:	*acres*
Grain	12,286
Hay, green feed	2,261
Potatoes	1,747
Feed roots	976
Sugarbeets	726
Other crops	516
Fallow	210
Total cropland	18,722
Gardens, fruit, grapes	1,537
Permanent hay	8,928
Permanent pasture	5,397
Total agricultural land	34,584
Forests	17,754
Other uses	8,809
Total area	61,147

Principal grain crops, 1967

Crop	Area	Production
	1,000	*1,000*
Grain:	*acres*	*metric tons*
Wheat	3,494	5,819
Rye	2,409	3,162
Barley	3,232	4,734
Oats	1,997	2,718
Corn	104	196
Other	1,050	1,397
Total	12,286	18,026

West Germany's 1967 agricultural imports from the United States

Product	Value
	Million dollars
Soybeans	170.6
Tobacco	105.7
Feedgrain	78.9
Oilmeal	66.4
Breadgrain	38.8
Cotton	21.0
Poultry	15.6
Rice	10.3
Canned fruit	10.1
Hides and skins	7.0
Variety meats	6.5
Tallow	6.0
Dried fruit, nuts	5.5
Flaxseed	5.4
Dry beans and peas	3.8
Fruit juice	3.7
Fresh fruit	2.9
Seeds, excluding grain	2.5
Hops	2.1
Canned vegetables	1.7
Vegetable oils	.7
Other	30.4
Total	595.6

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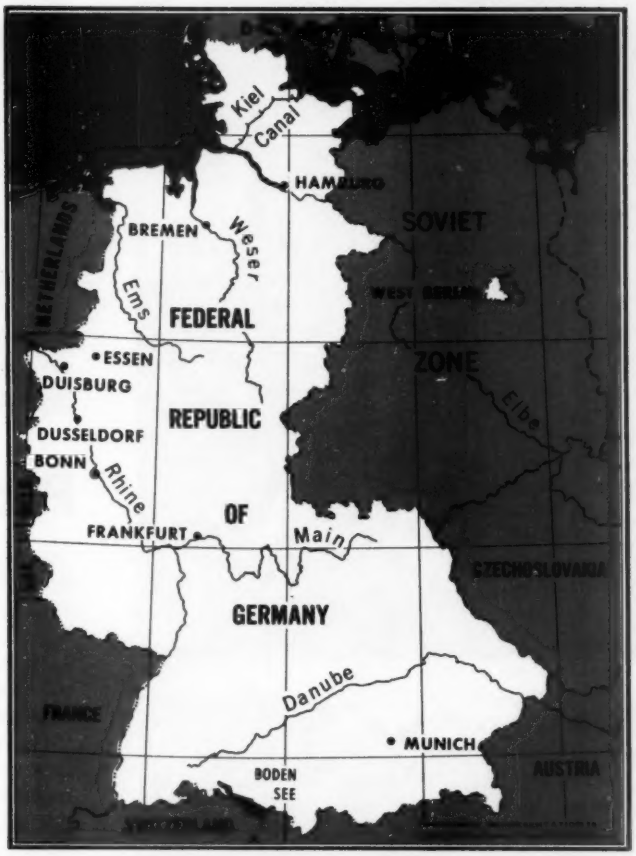


Country as a Whole—Size, Climate, People

West Germany—the Federal Republic of Germany since September 1, 1949—is primarily an industrial rather than an agricultural country. Of its gross national product of $120 billion in 1967 only 4 percent was supplied by agriculture and forestry. Of the six countries in the European Economic Community, West Germany is the third largest in area, has the largest population.

Size. Total geographic area is about 96,000 square miles, a little less than the size of the New England States plus New York. The country stretches nearly 600 miles from the Boden See (Lake Constance), which forms part of the southern border with Switzerland, to Denmark in the north.

Climate. Nearly all of West Germany lies farther north than the United States. It has a temperate climate with rainfall and average temperature similar to those of Maryland—but with fewer extremes of temperature and much less intensive sunshine. Rains usually are well distributed and gentle, without heavy runoff.

Population. West Germany's population of about 60 million is equivalent to that of the northeastern United States from Virginia north. About 20 percent of the total population is classified as rural (which includes towns up to 2,000). About 3 million persons—10.4 percent of the economically active population—are in agriculture, forestry, and fishing. Each year nearly 100,000 persons migrate off West German farms.

Diet. West German food consumption is about 3,000 calories per day. Compared with the U.S. diet, the German diet is more heavily weighted with starches and fats and oils. However, starch consumption is declining steadily, animal protein consumption rising.

German per capita consumption of potatoes, butter, margarine, and fresh fruit is more than double that in the United States. Grain, pork, and cheese consumption is also above the U.S. rate. On the other hand, Germans consume less than half as much beef, poultry, and pulses per person and about three-fourths as much fresh milk, eggs, sugar, and fresh vegetables as U.S. consumers.

Top to bottom this column: Woodsman saws away at a jungle giant; logs are removed from a clearing site; and newly cut area contrasts with fields of African oil palms.

Pioneers Tame the Jungle

Despite the rapid encroachment of civilization on the wilds of this world, there remains one vast frontier. It is the lush tropical jungle, which has for centuries simultaneously attracted and repelled man. Among the countries seeking to tap this valuable land source is Malaysia, now in the midst of an ambitious program to turn jungle areas into productive oil palm and rubber plantations.

The program, launched 10 years ago by the Malaysian Federal Land Development Authority (FLDA), has made available homes and individual plots to nearly 12,000 families or 75,000 people. So far it has cost Malaysia $129.6 million plus a recent $14-million World Bank loan. But it has also made Malaysia the world's leading exporter of oil palm and potential top producer. Over 185,000 acres of jungle land have been cleared since the program's inception; 23,000 acres now boast producing oil palms; and most of the remaining land has been planted.

A typical settlement

To understand something of what this means to the Malaysian settler let us turn to one of the 74 jungle communities established under the program. This one is Ulu Jempol at the northernmost point of a FLDA project called the Jengka Triangle.

Ulu Jempol has 1,444 settlers, or 314 families. Each family lives in a neat, two-room house of efficient tropical design. The sameness of the prefabricated dwellings, all stained a warm brown, is relieved by the lush gardens that separate them. Tropical fruit trees line many of the pathways leading to the homes from winding village streets. The FLDA office is located city-hall fashion near the village's center, while the palm processing plant is off to one side. This new settlement is typical of those sponsored by the FLDA in that it has the facilities and services necessary to make life pleasant. It has basic social service facilities, a school, a clinic, and a temporary building used as a mosque. Water is piped to roadside spigots, which serve several houses each. While this may seem primitive to city dwellers, the dependable clean water supply is a luxury in a jungle settlement.

Each settler at Ulu Jempol has an 8-acre share in the oil-palm plantation plus 2 acres for growing fruits and vegetables, as is customary in FLDA schemes. This is in addition to a

ıngles of Malaysia

¼-acre home site. Settlers purchase supplies, commodities, and items they cannot grow from the village cooperative store or from shops in nearby villages along the road.

For about 50 percent of the people at Ulu Jempol, arrival at the settlement meant an immediate improvement in their standard of living. For the rest, full returns from their share in the harvest of mature palms will represent the improvement they seek.

From the M$70 a month normally earned at the beginning of such schemes, settlers can look forward to their income increasing to about M$438. During the first few years no payment against their holdings is required. Payments begin after the crop comes into production and extend over 10-11 years, at the end of which, title to the land is turned over to the village cooperative; members then decide whether to have private or cooperative ownership of the plots.

The Jengka Triangle Development

Parent of the village is the Jengka Triangle Development —most extensive integrated development yet undertaken by FLDA. Over 10,000 acres a year are eventually to be cleared here out of 35,000 for the entire project.

In addition, FLDA is experimenting with heavy tractor equipment as opposed to the traditional way of clearing the jungle by hand. In late July, three crawler tractors moved in on a 150-acre plot. The sharp cutting blades sliced vegetation to the ground, while their "stinger bits" shattered giant trees. The work was reportedly completed in a single month, compared with the 3 months needed for initial clearing by hand. Moreover, with the hand method tree stumps are left in the area, making it virtually impossible to establish field crops.

This experiment is to be the beginning of a 3,000-acre agricultural research center and nursery for the study of field crops like sorghum, soybeans, and corn, as well as the oil palm.

While results from the FLDA projects have already been impressive, the Malaysian Government is looking for much more, especially in view of the 3.3-percent yearly population increase which will double population in 20 years.

Photographs courtesy of the Caterpillar Tractor Company, Peoria, Illinois.

Clockwise from right column page 8: Cut palm fruit is carried in baskets to road; there it is picked up by tractor for hauling to village of Ulu Jempol; a family at the FLDA project stands near community faucet—their house is in background.

A Look at the Oil Palm

No longer confined to its native home in western Africa, the oil palm today is a valuable cash crop for Malaysia, Indonesia, and several other countries in Latin America and Africa. Its products—palm oil and palm kernel oil—are sold throughout the world for use in production of margarine and other food products, soap, and certain paints and lubricants.

The oil is obtained by crushing and processing the palm's fruit, which grows in clusters and is picked by hand—a problem as the cost of labor increases. The individual fruits are oval, pointed at the apex, and about 1 to 2 inches in length and from ¾ to 1½ inches in diameter. The ripe fruit varies in color from yellow to orange to purple and has a hard inner kernel that is crushed separately to produce palm kernel oil. This oil is white and similar to coconut oil, while the palm oil is red.

Today, palm oil accounts for less than 4 percent of world fats and oils production, but output is expected to increase rapidly, particularly after 1970, as a result of expanded plantings, higher yielding varieties, and wider use of efficient processing facilities. Palm oil's popularity on the world market, however, depends on its price relationship to soybean, peanut, sunflowerseed, and fish oils. These and other fats and oils are increasingly interchangeable in end use so that more often than not price is the overriding consideration.

Top exporter of palm oil is Malaysia, which shipped out 179,000 tons in 1967. It is, on the other hand, only a minor exporter of palm kernels with shipments of these totaling 20,000 tons in the same year. Indonesia is the second largest exporter of palm oil and the Congo (Kinshasa), third largest. For palm kernels, Nigeria is far and away the leading exporter, shipping out 120,100 tons, oil equivalent, most of it moving as kernels for crushing abroad.

News from the Attache

No Relief in Sight for Philippine Abaca Industry

The Philippine abaca industry—world's principal source of this cordage fiber—remains in serious trouble as both production and demand continue to decline. Many abaca plantations are being converted to more profitable crops, and other planters have lost interest in the fiber because of decreasing prices due to competition from manmade fibers.

Philippine Government officials continue to seek ways to boost the industry. Proposals being explored include those for better producer-financing arrangements, streamlining of related government operations, and cost-reduction techniques. However, the industry seems to find little hope for lasting relief in these proposals.

Large production decline

For the calendar year 1968 abaca production in the Philippines is forecast at 159.3 million pounds, down 19 percent from 1967 production. During the first 6 months of 1968 production declined at a much greater rate than the average annual 7-percent decrease during 1963-67. The production loss was evenly spread among the major producing areas of southern Luzon, Leyte and Samar, and southern Mindanao. Registered balings in each of these areas were down 21 percent from the same period a year earlier.

Trade reports indicate that production of the higher grades of abaca has been virtually eliminated in the Bicol region, where producers are reportedly shifting to low-grade fibers for processing by proposed pulp mills. According to trade sources also, one Japanese firm and two Manila firms have contracted with some of the large producers in the Bicol region for processing abaca into paper pulp.

Exports down sharply

While domestic consumption for calendar year 1968 is expected to be only slightly lower than in 1967, exports may be off nearly 27 percent.

Domestic utilization of abaca fiber during the first half of 1968 is estimated at about the same level as during the same period last year. Consumption in cordage manufacture continued to decline, but use in such other products as rugs, mats, hemp squares, sacks, and other household articles offset the loss in rope manufacture.

Abaca exports in the first half of 1968 reached only about 60.8 million pounds as compared with exports of 89.5 million pounds in the comparable period a year earlier. Exports to the United States—the leading market—were down to 20.7 million pounds in the first half of this year from 33.6 million pounds a year earlier. Shipments to Japan, the second largest market, were down to 14.6 million pounds in January-June 1968 from 19.7 million pounds the same period of 1967.

Exports for calendar year 1968 are forecast at 111.6 million pounds. Exports in 1967 amounted to 152.7 million pounds. Carryover stocks of abaca fiber on December 31, 1968, are forecast at about 53.3 million pounds, up some 11.2 million pounds from supplies on hand on January 1.

Philippine Copra: Production and Exports Drop

Philippine copra production in 1968 is expected to total about 1.2 million long tons, 15 percent less than in 1967, which in turn was 15 percent below the record 1966 level. During the first half of 1968, outturn was some 17 percent below the first half of 1967, but production in the second half should show substantial improvement.

Production in Luzon is drastically reduced by the combined effects of low rainfall and late 1967 typhoons. Although production in some Mindanao and central Philippine areas is favored by good weather and an increased number of bearing trees, shipments from these areas are not likely to overcome losses in the major producing areas of Luzon. Government officials and trade sources predict that it will take at least 18 months for production in the typhoon-damaged areas of Luzon to return to normal, that low supplies can be expected from there until the latter part of 1969.

Oil exports may increase

Copra exports probably will be down to about 585,000 tons in 1968—the lowest level in nearly 20 years. Domestic crushings are expected to take about another 585,000 tons, and oil exports may increase to a 250,000-ton level—up nearly 8 percent over 1967. The crushing capacity of Philippine coconut oil mills has increased with the operation this year of three additional plants. The trend is toward the exportation of a larger portion of production in the form of oil rather than as raw copra.

Production of desiccated coconut in 1968 may increase some 8 percent above 1967; exports of this product are likely to reach about 68,000 tons, compared with about 59,000 tons exported in 1967.

Registered exports of copra during the first half of 1968 totaled 242,963 tons, 29 percent below the same period last year. With the exception of the United States, exports to all major destinations declined substantially. Exports of coconut oil during the same period increased 7.5 percent as the United States absorbed 11 percent more oil than in the same period a year ago. Exports of desiccated coconut increased over the same period the year before; exports of copra cake and meal declined.

Seeks duty-free quota to the EEC

The Philippines is presently seeking a 60,000-ton duty-free annual export quota to the European Common Market. Presently, Philippine coconut oil pays a 10-percent ad valorem duty in that market. If this move succeeds, it will improve the competitive position of coconut oil and will be a boost to the local coconut oil industry. Philippine coconut oil exports to Common Market countries amounted to 47,023 tons in 1965, 46,667 tons in 1966, but dropped to 20,963 tons in 1967. Shipments during January-June of this year totaled 12,224 tons.

—Stories on this page based on dispatches by FRED W. TRAEGER, *U.S. Agricultural Attaché, Manila.*

Coffee Agreement Aims at Supply-Demand Balance

The 1968 International Coffee Agreement, which went into effect October 1, 1968, embodies important new provisions affecting the production and export of raw and processed coffee, with new controlling powers for importing countries. A noteworthy new feature is a Diversification Fund, geared to help alleviate coffee's continuing problems of imbalanced supply and demand.

The Agreement is essentially a continuation of its 1962 predecessor, following these objectives:

- To achieve a reasonable, long-term balance between supply and demand on a basis which will assure adequate supplies of coffee to consumers and markets for coffee to producers at equitable prices;
- to alleviate the hardship caused by burdensome surpluses and excessive price fluctuations;
- to help bring about fair wages, higher living standards, and better working conditions in the coffee producing nations;
- to encourage consumption of coffee; and
- to further international cooperation in connection with world coffee problems.

The 1968 version has a number of improvements and modifications. Total membership is now 60 nations—40 exporting and 20 importing—covering over 98 percent of world trade in coffee. Cuba was an exporting member of the 1962 Agreement but withdrew from the 1968 Agreement.

For the first time, specific national production goals were established for each exporting member to insure that by 1973 production in each country will approximate needs for export quotas and working stocks. Penalties are spelled out for noncompliance, and importing countries are to cooperate by refusing to provide financial assistance for the pursuit of policies contrary to the established goals.

New basic export quotas have been determined for each member country to replace those in effect since 1962. New quotas total 55,838,000 bags, compared to 45,587,183 in the former Agreement. This increase and numerous individual country adjustments eliminated some of the inequities of previous quota levels—formerly a source of friction among member nations. The export quota for 1968-69 has been set at 47.9 million bags, with a possible upward adjustment of 1.5 million bags depending on the composite price.

Processed vs green coffee

The Agreement now prohibits government aid to exports or reexports of coffee which discriminate in favor of processed (soluble) coffee over green coffee. This measure was primarily the result of unfair price competition between exports of Brazilian processed coffee and green beans. Processed coffee exported from Brazil has been exempt from the price-rising tariffs affecting raw beans.

Under the terms of the new Agreement, an importing country which believes discrimination exists in favor of processed coffee may seek mediation or have the matter placed before an arbitration panel. If the exporting member is found to be discriminating and fails to take corrective action, the importing country may take countervailing measures (most likely tariffs on processed coffee) up to the extent of the established discrimination.

The Agreement's new Diversification Fund will be used to provide technical and financial assistance to member countries in production-control programs. It will also help farmers wishing to diversify from coffee to other agricultural products for which there is greater need. If successful, this feature might well serve as a model for agreements dealing with other commodities which have supply-demand problems.

The Fund will be financed by mandatory payments from exporting countries and contributions from importing nations. The United States has offered to lend up to $15 million to the Fund and to match assistance up to an additional $15 million. It is anticipated that the World Bank and possibly other financial agencies will help administer the Fund.

Selective price adjustments

The 1968 Agreement continues the so-called selectivity system for adjusting the export quotas of countries producing the four different types of coffee in response to fluctuations in the price of each variety. This system, which assures adequate quotas of the various types of coffee at reasonable price levels, goes into effect whenever the daily price of any type of coffee averages below its respective floor or above its respective ceiling for a period of 15 consecutive marketing days. The quota of each member producing that type of coffee is adjusted up or down by an amount equal to 3 percent of the member's annual quotas as of October 1 of the coffee year in question. There is no limitation on upward adjustments, but downward adjustments cannot exceed 5 percent of the member's annual quota plus any net increase therein resulting from previous upward adjustments. The range of prices agreed upon for coffee year 1968-69 for various types of coffee follows:

Type	Floor prices	Ceiling prices
	U.S. cents per pound	*U.S. cents per pound*
Colombian milds	39.25	43.25
Other milds	37.25	41.25
Unwashed arabica	35.25	39.25
Robustas	30.50	34.50

The obligations of the United States under the Agreement as a major importer remain essentially unchanged. They include requirements to limit imports from nonmember exporting countries, to comply with the import control procedures in shipments from quota countries, and to furnish statistics and other information relative to coffee trade. The contribution of the United States (based on its voting strength) to defray the administrative expenses of the Agreement will also continue.

Implementing legislation has limited U.S. participation to a period of 2 years rather than the full 5-year term of the new Agreement. This legislation also calls for U.S. withdrawal if exporter members discriminate against U.S. flagships in the movement of coffee or other cargoes.

—Sugar and Tropical Products Division
Foreign Agricultural Service

FAS Coffee Circular. Estimates of the 1968-69 world coffee crop indicate that exportable supplies will be far below world import needs, according to the recently released Foreign Agriculture Circular on coffee (FCOF 4-68). Copies are available from FAS Publications Service, Room 5555-S, USDA, Washington, D.C. 20250.

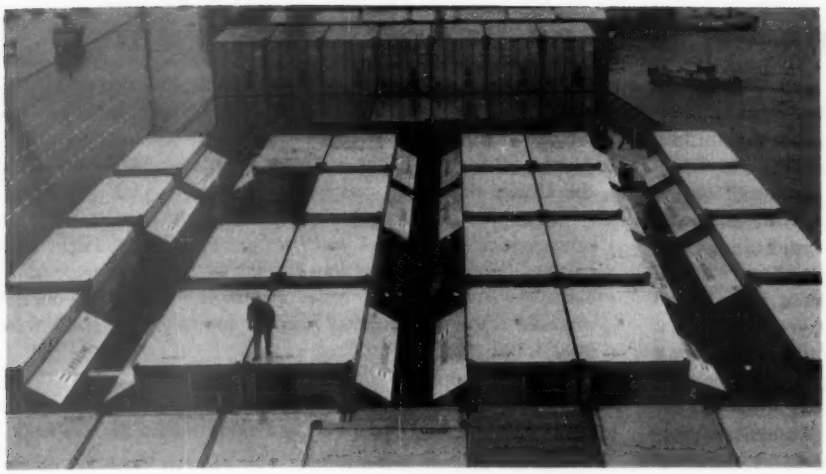
U.S. Foods Debut in Norway's IRMA

"Amerikansk i IRMA" (American, in IRMA), said displays for Norway's first participation in the USDA in-store promotion program (Sept. 16-28). And IRMA—Norway's biggest chain, with 33 stores in the Oslo area—reports that American foods brought it a 20-percent sales increase during the show.

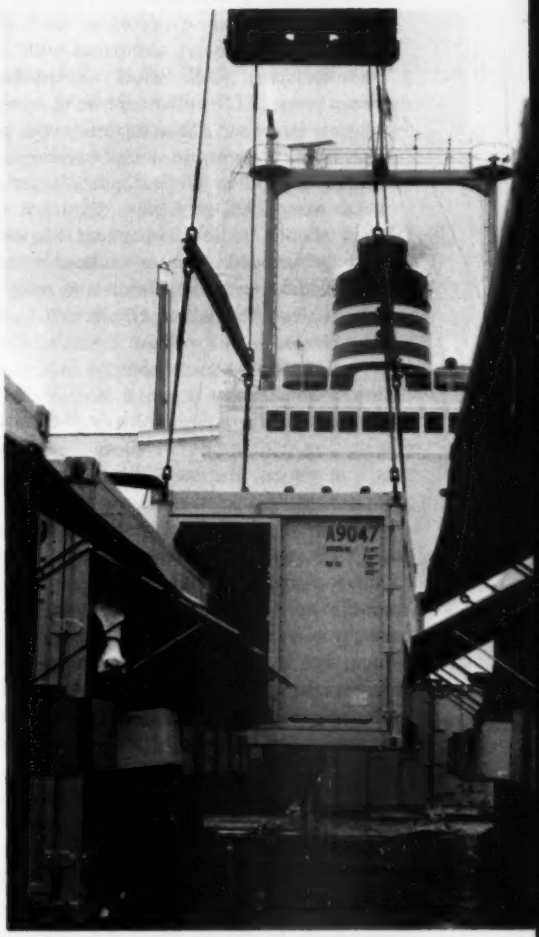
Of special interest were products new in Norway—pineapple and prune juices, pasteurized orange juice in glass jars (a winner), bacon rind snacks, converted rice, dried apples, dietetic fruit cocktail, canned pineapple, canned peaches.

Prime attraction was Chief Wolf Robe, Pueblo artist-craftsman (Tulsa). Below, he shows Indian corn to IRMA marketing director Frank Torseth, U.S. Ambassador Margaret Joy Tibbetts, and U.S. Agricultural Assistant Bjorn Leborg.

Old West symbols seen on price tags, posters, and advertisements throughout the show were the stagecoach (above), the saddle, the bucking broncho, and the Indian (posed by Chief Wolf Robe).



At left, U.S. officials and experts inspect containers ready for unloading on rain-swept deck; below, comfort and shelter both on and off the hoist.



U.S. Cattle to Japan in Containers

When Japan's first all-container ship, the N.Y.K. Line's *Hakone Maru*, completed its first trans-Pacific voyage on October 4, it chalked up two other firsts also. It had carried the first container shipment of U.S. cattle to Japan—70 bred Holstein heifers—and had inaugurated the world's first livestock container-ship service. Now being readied to take part in this service is a second all-container ship, the *Haruna Maru*.

The 70 U.S. Holsteins, picked up at Oakland, Calif., in mid-September along with 55 Polled Hereford heifers from Canada, traveled in special containers designed for six head of cattle. All arrived in excellent shape.

The *Hakone Maru* carries 752 containers. At a cruising speed of 23 knots, it reached Yokohama from Oakland in only 9½ days, compared with 2 weeks or more for conventional shipping. Thus, though ocean freight per animal was the same as the conventional rate, $161, total costs of feed and care were substantially less than for the longer trip.

Japan's imports of U.S. Holsteins for 1968—almost all bred heifers—are expected to total about 800 head; its imports of U.S. beef cattle (also mostly bred heifers), about 300 head. January-June imports of both kinds added up to 377 head, against 412 in all of 1967; and the up-trend is expected to continue.

As an incentive to step up dairy cattle numbers, the government subsidizes half the transportation and handling costs of imports (up to 100,000 yen, or about $280, per head). U.S. Holsteins enter under this program. Holstein imports are stimulated too by the high beef prices that are encouraging farmers to feed Holstein bull calves for beef instead of slaughtering them early. But the Japanese are interested in U.S. beef breeds also, as is evident from the purchase of 105 Colorado Herefords this summer by Vice Governor Masaya Kitamura of Aomori Prefecture.

Right, Japanese-owned Holsteins of U.S. parentage munch throughout the filming of the U.S. livestock display as NHK, Japan's biggest TV network, prepares a special on the U.S. Food and Agricultural Exhibition held in Tokyo this April.

Japan Expects Increased Oilseed Imports This Year

Japan's imports of oilseeds in calendar 1968 are forecast at 3.5 million metric tons, or 8 percent above those of 1967. *Soybean* imports are expected to reach almost 2.4 million tons (87.8 million bushels) compared with 2.2 million (79.7 million) last year. U.S. beans will probably account for 2.0 million tons (73.5 million bushels) against 1.8 million (65.1 million) last year. This assumes that no complications will arise from the current longshoremen's negotiations at Gulf and Atlantic ports. While Japan's larger crushing firms intend to use more U.S. soybeans, there are some who argue that Japan should be less dependent on the United States as a source of oilseeds. In early October, a Japanese oil survey team visited the Soviet Union and other European countries.

Beans from Mainland China will supply the remainder—390,000 tons (14.3 million bushels), or about the same as last year's level. Trade sources indicated that imports from China, which were down 8 percent through August, would pick up sharply in September and October. While there is an increasing demand for soybean meal for commercial animal feed in Japan, the vegetable oil glut has caused a serious disposal problem for crushers.

Japan's imports of *sunflowerseed* are estimated at 85,000 tons, 12 percent less than those in 1967. Imports during January-August at 48,400 tons were 6 percent above comparable imports last year, but they are expected to decline sharply toward the end of the year. While sunflowerseed no longer has the competitive advantage it enjoyed last year, oil crushers equipped with specialized "oil wintering equipment" still prefer sunflowerseed because demand for the oil is stable.

Imports of *rapeseed* are expected by the Japanese trade to total about 270,000 tons, one-fourth above imports last year. Takings during January-August at 169,000 tons were up 30 percent from the same period in 1967. Recently two cargoes (26,000 tons) of Polish rapeseed have been contracted at an estimated c. & f. price falling between $97 and $98 per ton. An additional 13,000 tons reportedly is being negotiated. In recent years over 90 percent of Japan's imports of rapeseed has come from Canadian sources.

JAPAN'S OILSEED IMPORTS

Oilseed	1965	1966	1967	Forecast 1968
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Edible group:				
Soybeans	1,847	2,168	2,170	2,390
Rapeseed	101	211	215	270
Cottonseed	217	266	216	250
Safflowerseed	113	147	127	60
Sunflowerseed	4	3	96	85
Copra	94	108	112	120
Sesameseed	33	38	40	43
Peanuts	25	38	30	43
Palm kernels	22	23	19	22
Others	77	78	56	79
Subtotal	2,533	3,080	3,081	3,362
Industrial group:				
Flaxseed	103	117	107	105
Castorseed	40	63	64	50
Others	—	—	—	—
Subtotal	143	180	171	155
Grand total	2,676	3,260	3,252	3,517

Safflowerseed imports will drop sharply this year to an estimated 60,000 tons—less than half last year's tonnage. The decline is attributed mainly to the smaller U.S. crop in 1967. Almost 90 percent of the safflower imports in 1967 came from the United States.

Castorseed imports are expected to decline to 50,000 tons, down one-fifth from last year's level, because of the decreased exports of castor oil to the United States. U.S. imports of castor oil from Japan exceeded 10,000 short tons in 1967, but imports from that country during January-July 1968 were only 1,700 tons.

Largest Ontario Grain Corn Crop

The developing corn industry in eastern Ontario, chiefly the result of new fast-maturing grain-corn strains that were perfected at Canadian plant experiment stations, is expected to turn in a bumper harvest this year—weather permitting. Corn is rapidly becoming a popular cash crop in eastern Ontario because of the steady demand by feed mills, a starch works, and Montreal distilleries. Acreage has jumped in recent years as Ontario farmers have become more aware of the advantages of corn raising. (See *Foreign Agriculture*, Aug. 5, 1968.)

Not all the problems are ironed out of the new industry, however. Many farmers still have high production costs, rudimentary storage that decreases quality, and inadequate or no drying facilities. Some of these hindrances may soon be overcome. The building of inexpensive but adequate cribs for storage is being promoted by both the Ontario Government and local industry. Improved facilities for corn drying are gradually being installed. Drying facilities are especially important to farmers because the closer to only 15 percent moisture the corn is, the higher the price per bushel. Also, many industrial consumers will not buy corn with a moisture content over 15 percent. At Winchester a feed company, with the assistance of a government loan, is building an elevator complex to shell and dry corn.

—Based on dispatch from ALFRED R. PERSI
Acting U.S. Agricultural Attaché, Ottawa

Record World Barley, Oat Crops

World production of barley and oats in 1968 is estimated at 157.6 million metric tons, 5 percent above the total a year ago and 18 percent over the 1960-64 average.

World barley production is estimated at a record 107.2 million tons. This is a 4-percent gain over the 1967 record from acreage that increased 3 percent. The 1968 world oat crop is estimated at 50.4 million tons, 6 percent higher than last year's and the highest since 1960. World acreage and yield gained 4 percent and 3 percent, respectively.

The United States and Canada were responsible for the principal changes. The U.S. barley harvest is placed at 9.2 million tons, 15 percent above 1967, and the Canadian barley crop, at a record 6.9 million tons, was 27 percent above last year's. The U.S. oat crop, at 13.6 million tons, was 20 percent over last year's; Canada's increased 18 percent.

Detailed tables and analyses appear in the October *World Agricultural Production and Trade—Statistical Report.*

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Between October 15 and October 22, 1968, offer prices of wheat in Rotterdam declined. U.S. Spring dropped 3 cents while U.S. Hard Winter and Soft Red Winter declined 1 cent. Canadian Manitoba and Argentine wheat remained unchanged.

U.S. and Argentine corn prices increased 1 cent. The offer price for South African white was not quoted.

A listing of the prices follows.

Item	Oct. 22	Oct. 15	A year ago
	Dol.	*Dol.*	*Dol.*
Wheat:	*per bu.*	*per bu.*	*per bu.*
Canadian No. 2 Manitoba	2.04	2.04	2.11
USSR 121	1.95	1.96	2.03
U.S. No. 2 Dark Northern Spring, 14 percent	1.94	1.97	1.97
U.S. No. 2 Hard Winter, 14 percent	1.94	1.95	1.95
Argentine	1.75	1.75	(1)
U.S. No. 2 Soft Red Winter	1.73	1.74	1.79
Corn:			
U.S. No. 3 Yellow	1.22	1.21	1.35
Argentine Plate	1.35	1.34	1.80
South African White	(1)	(1)	(1)

[1] Not quoted.

All prices c.i.f. Rotterdam and for 30- and 60-day delivery.

El Salvador's Cotton Acreage Higher

El Salvador's cotton acreage is sharply higher in 1968-69 after declining during each of the past three seasons. The area planted in the current season is estimated at 130,000 acres, compared with 100,000 last season and a record high of 274,000 in 1964-65. The rise in area is a result of an increase in profitability of cotton in the past 2 years. Yields have been good and prices have been favorable. Assuming normal yields, production should reach 190,000 bales (480 lb. net) in the current year, up from 159,000 in 1967-68, and 298,000 for the 1960-64 average. Rainfall in most areas has been adequate during the current growing season.

El Salvador exported 116,000 bales of cotton in 1967-68, compared with 123,000 in 1966-67. With consumption expected to be around 54,000 bales in the current season, export availability will likely be around 135,000 to 140,000. Most of El Salvador's cotton is exported to Japan. The October 3, 1968, c.i.f. price quotation for SM 1-1/16" cotton in Osaka, Japan, for January to March delivery was 28.43 cents per pound. By mid-September, around 60,000 bales of the 1968-69 crop had been sold for future delivery.

U.S. Exports of Soybeans, Oils, and Meals

U.S. exports of soybeans in August totaled 17.3 million bushels, slightly more than 16.2 million exported in August a year ago. During the September-August marketing year exports reached 266.6 million bushels—up 5 million from last year. Purchases by Japan of 73.7 million bushels showed a marked gain of 12 percent or 13.0 million. Increased amounts were also shipped to Spain and Denmark. Less soybeans were taken by the EEC as a whole this year, even though exports to the Netherlands increased almost 1 million bushels. Exports to Canada and the Republic of China also declined below last year's levels.

Exports of soybean and cottonseed oil during August dropped to 40.8 million pounds, 19 percent below the 50.1 million exported last August. Vegetable oil exports during October-August totaled 876.5 million pounds, 14 percent less than last year's 11-month total. The decrease of 144.6 million pounds included a decline in soybean oil exports of 118.0 million pounds and in cottonseed oil exports of 26.6 million.

Soybean meal exports totaled 236,000 tons, 23 percent above August exports of a year ago. The current cumulative total reached 2.74 million tons compared with 2.47 million during the same period last year. Although exports to the EEC increased 17 percent, shipments to many European markets and Canada declined. Exceptions to this were exports to Poland, Hungary, Bulgaria, Portugal, Spain, and Ireland. Increased amounts were also taken by the Philippines, Japan, and Lebanon.

The decline in exports of cottonseed meal this year has been offset by the slight gain in exports of linseed meal. Exports of these meals now total 94,500 tons compared with 94,300 exported a year ago.

Exports classified as "other oil cakes and meals," which include small amounts of copra and peanut meal, have been tentatively adjusted to 64,100 tons for the current October-August period, pending an official revision of the June export data by the Bureau of the Census. Total cake and meal exports for the 11-month period have been revised accordingly to 2.90 million tons, compared with 2.59 million during the same period last year.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILCAKES AND MEALS

Item and country of destination	Unit	August		September-August	
		1967 [1]	1968 [1]	1966-67 [1]	1967-68 [1]
SOYBEANS					
Belgium-Luxembourg	Mil. bu.	0.4	1.0	8.8	8.7
France	do.	0	0	2.2	.6
Germany, West	do.	1.3	2.6	32.7	32.0
Italy	do.	1.1	.7	18.0	14.8
Netherlands	do.	1.7	2.0	36.0	36.8
Total EEC	do.	4.5	6.3	97.7	92.9
Japan	do.	5.3	4.5	60.7	73.7
Spain	do.	2.2	2.7	27.4	29.5
Canada	do.	1.7	1.5	24.2	21.7
Denmark	do.	1.0	1.1	14.8	15.5
China, Taiwan	do.	1.3	.5	11.0	10.6
Israel	do.	0	0	9.4	9.5
Others	do.	.2	.7	16.4	13.2
Total	do.	16.2	17.3	261.6	266.6
Oil equivalent	Mil. lb.	177.4	189.4	2,872.3	2,927.0
Meal equivalent	1,000 tons	379.7	405.4	6,147.4	6,264.6

See footnotes at end of table.

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U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILCAKES AND MEALS—Continued

Item and country of destination	Unit	August 1967 [1]	August 1968 [1]	October-August 1966-67 [1]	October-August 1967-68 [1]
EDIBLE OILS					
Soybean: [2]					
India	Mil. lb.	18.2	5.9	220.5	190.5
Pakistan	do.	7.3	0	82.4	147.9
Tunisia	do.	0	0	97.4	96.7
Morocco	do.	.7	8.8	9.9	50.3
Dominican Republic	do.	.1	.7	9.1	48.8
Israel	do.	0	2.9	11.8	33.2
Vietnam, South	do.	2.4	0	24.6	32.4
Canada	do.	1.3	3.7	19.2	23.0
Brazil	do.	.7	.3	22.8	21.0
Chile	do.	0	4.7	13.9	19.3
Others	do.	16.6	13.0	436.1	166.6
Total	do.	47.3	40.0	947.7	829.7
Cottonseed: [2]					
Venezuela	do.	1.4	.1	28.9	32.7
Canada	do.	.5	.4	7.7	6.9
Japan	do.	([3])	([3])	1.0	1.8
Others	do.	.9	.3	35.8	5.4
Total	do.	2.8	.8	73.4	46.8
Total oils	do.	50.1	40.8	1,021.1	876.5
CAKES AND MEALS					
Soybean:					
Belgium-Luxembourg	1,000 tons	14.1	12.0	203.0	232.9
France	do.	28.0	36.2	391.3	451.9
Germany, West	do.	30.8	33.5	424.2	492.4
Italy	do.	6.9	5.7	185.3	176.2
Netherlands	do.	35.1	44.2	390.2	514.9
Total EEC	do.	114.9	131.6	1,594.0	1,868.3
Canada	do.	20.8	15.7	215.6	211.0
Yugoslavia	do.	19.7	28.8	154.4	101.6
Poland	do.	0	15.1	39.8	80.6
United Kingdom	do.	11.2	.2	79.9	76.9
Denmark	do.	8.2	([4])	101.9	66.0
Others	do.	17.0	45.0	283.9	338.4
Total	do.	191.8	236.4	2,469.5	2,742.8
Cottonseed	do.	.4	.2	7.3	2.7
Linseed	do.	6.5	12.1	87.0	91.8
Total cakes and meals [5]	do.	204.1	254.5	2,593.2	[6] 2,901.5

[1] Preliminary. [2] Includes shipments under P.L. 480 as reported by Census. [3] Less than 50,000 pounds. [4] Less than 50 tons. [5] Includes peanut cake and meal and small quantities of other cakes and meals. [6] Unofficial.

Bureau of the Census.

Japanese Cigarette Sales Rise 6 Percent

The Japan Tobacco Monopoly's cigarette sales reached 195 billion pieces in the 1967-68 Japanese fiscal year for a 6.2-percent increase over performance of the previous fiscal year (April-March).

During this period five new cigarette brands were introduced to the market. Sales of filter-tipped cigarettes increased 30 percent over the 1966-67 level and accounted for 75 percent of total sales, compared with 62 percent in 1966-67. Hi Lite brand accounted for 43 percent of total cigarette sales and continues to be the No. 1 best seller in the world.

Drought Affects Brazil's Coffee Crop

Lack of adequate rainfall during the critical flowering period just ended in Brazil has adversely affected 1969-70 coffee crop prospects in the States of São Paulo and Paraná, the major producing areas.

One well-informed trade source, which had been estimating a 1969-70 coffee harvest of about 28.8 million bags, has now revised this figure downward to about 25.8 million for the coffee year beginning July 1, 1969. Although timely rains may yet occur during the last half of the month of October, it is believed that the drought that has prevailed thus far has reduced the crop potential by at least 10 percent.

Even at an estimated 25.8 million bags, the 1969-70 coffee harvest would be the largest for Brazil since 1965-66, when a bumper crop of 37.7 million bags was harvested.

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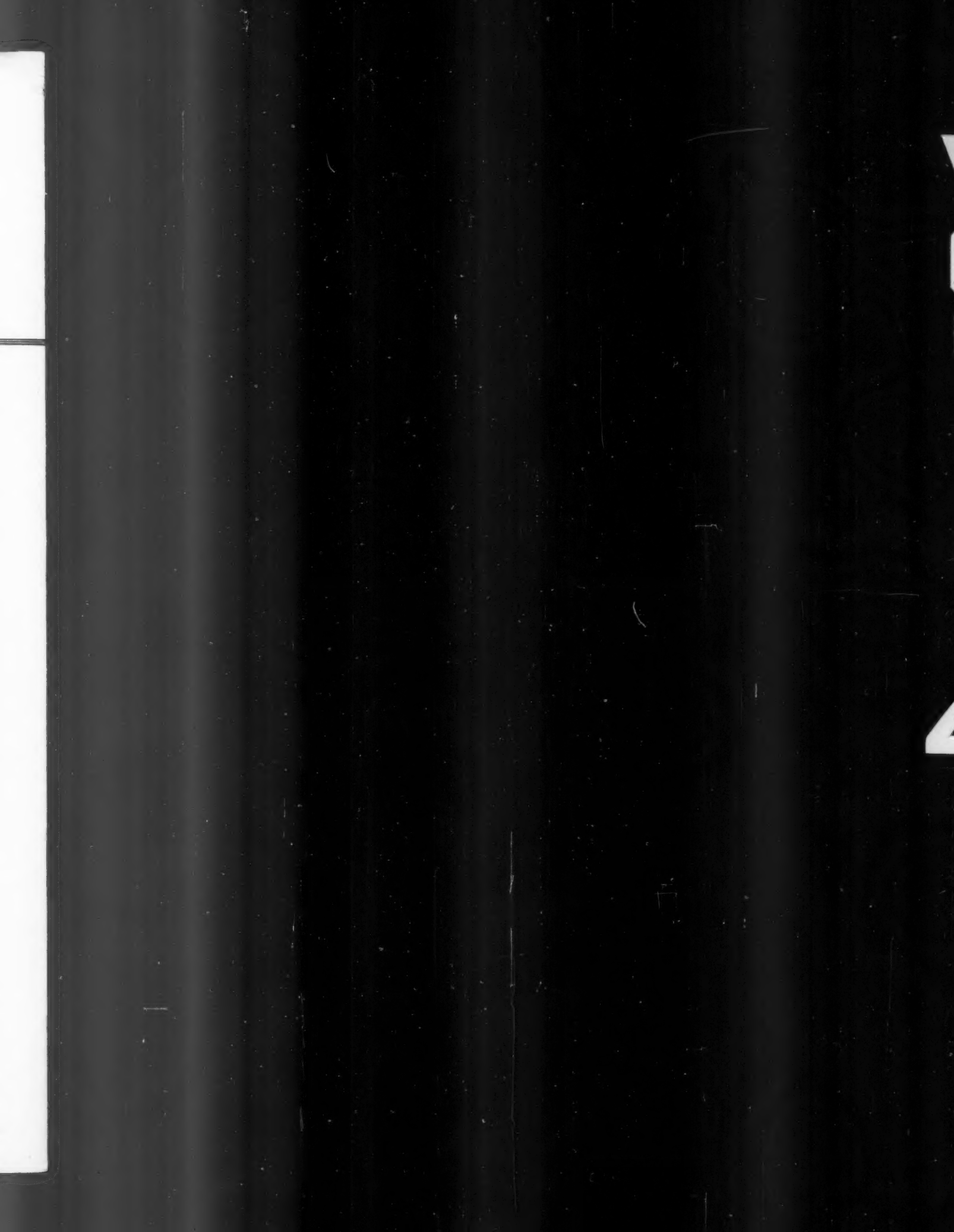
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